GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

STARRED QUESTION NO:333
ANSWERED ON:22.12.2008
PRIVATE SECTOR IN DEFENCE PRODUCTION
Acharia Shri Basudeb

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government proposes to involve private sector enterprises in joint development of defence technology and manufacture of defence items;

(b) if so,the details thereof alongwith the details of letters of intent issued to the enterprises;

(c) whether the Government proposes to provide eighty per cent funding to the Research & Development projects taken up by the private sector companies in defence production;

(d) if so, the details thereof; and

(e) the steps taken in this regard?

Answer

MINISTER OF DEFENCE(SHRI A.K. ANTONY)

(a) & (b): Yes,Sir.The Government involves private sector enterprises in joint development and manufacturing of defence items through their acquisition schemes categorized as 'MAKE' and 'BUY (INDIAN)', respectively. Request For Proposal (RFP) is issued to private enterprises to make their offer after consideration of full requirements of the acquisition.In addition,Defence Research and Development Organisation(DRDO) has been involving private sector in joint development of defence technology in most of its projects. DRDO has more than 400 Industrial partners who develop a number of subsystems from the specifications issued to them.

(c) to (e): Yes,Sir.The 'MAKE' procedure of Defence Procurement Procedure−2008 provides for sharing of the development cost with the development agencies.The sharing cost would be in the ratio of MoD (80%) and the Industry (20%).The funds are to be provided under the approved 'MAKE' procedure for development of projects.